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FISCAL IMPACT STATEMENT

LS 7303

BILL NUMBER: HB 1408

NOTE PREPARED: Jan 27, 2013

BILL AMENDED:

SUBJECT: Elect Utility Regulatory Commission Members.

FIRST AUTHOR: Rep. Riecken

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Election of Utility Regulatory Commissioners-* The bill provides for the election of the members of the Indiana Utility Regulatory Commission (IURC) on a nonpartisan basis beginning with the 2014 general election.

Commission Membership- The bill increases the number of commissioners from five to nine, and provides for the election of one commissioner from election districts that correspond to Indiana's Congressional districts.

Public Utility Fund- The bill provides for voluntary public financing of campaigns for the office of member of the Commission funded from the Public Utility Fund (PUF). The bill appropriates sufficient money in the PUF to fund campaigns.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Election of Utility Regulatory Commissioners-* The administrative responsibilities of the Election Division and the Secretary of State would increase under the bill. The Election Division would determine candidates' eligibility to receive campaign funds from the PUF, including the option of performing random audits. The Secretary of State would certify the number of signatures on petitions of nomination for the office of IURC commissioner. Additionally, the Election Commission would be charged with reviewing the certification of a candidate who allegedly did not properly file all necessary documentation with the Election Division. The Election Commission would adopt rules and prescribe the necessary forms for candidate use of funds from the PUF for campaign expenditures.

Court Action- Court action could also be sought by a registered voter against a candidate that is believed to

have moved from the district they seek to represent on the Commission without filing a notice of withdrawal of the candidacy. If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

In addition, some or all of the judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Revenue from the pro bono services fee (\$1) is transferred by the State Auditor to the Indiana Bar Foundation for use to assist with pro bono legal services programs in Indiana. And proceeds from the automated record keeping fee (\$5) are deposited into the state User Fee Fund.

Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Commission Membership- The bill increases the Commission membership from five to nine members. The bill would set annual salaries for elected Commission members at \$106,000 (\$111,000 for the chair). There would be an additional expenditure required for four additional members at \$424,000 to \$429,000 annually. Salaries would be paid out of the budget for the IURC. The bill does not make an appropriation to cover the additional salary cost for four additional commissioners that the bill would generate.

Public Utility Fund- The bill would create the Commission Election Campaign Account (CECA) within the PUF. The account would be used to provide funding for the campaign of each eligible candidate seeking the office of Commissioner. The amount necessary to cover the campaign expenses in a given election year would be determined by the IURC and approved by the State Budget Agency by March 31 of that year. If the money in the PUF is insufficient to cover the estimated campaign costs, the Budget Agency would be required to approve an amount to cover shortfall in the CECA. Candidates could reject the funding if they so choose. Candidates running unopposed would not be eligible for funding from the CECA.

Initially, all nine proposed Commission members would be elected in the 2014 general election. As a result, this provision would increase FY 2015 expenditures from the PUF via the CECA. The grant amount would be \$75,000 per qualified candidate. For example, if there were 18 candidates for Commissioner during the 2014 general election, and all 18 candidates accepted a grant, the expenditures would total \$1.35 M during FY 2015. Expenditures from the CECA, per election, may be less in future years, as the bill would stagger the election of the Commissioners to a 5-4 format beginning in the 2018 general election.

Background on Public Utility Fund- The PUF currently provides the resources for the operation of both the IURC and the Office of the Utility Consumer Counselor (OUCC). The monies in the PUF are generated from the public utility fee billing rate on public utility revenues. The rate for the FY 2012 IURC and OUCC budget was 0.00117851. In FY 2012, the fee generated \$8.34 M for the IURC and \$6.28 M for the OUCC.

Explanation of State Revenues:

Explanation of Local Expenditures: *Election of Utility Regulatory Commissioners-* Adding the office of Utility Regulatory Commissioner to the ballot would require a minimal increase in ballot printing expenditures in counties that primarily use optical-scan voting systems in their precincts. There are eight counties that are currently split between U.S. Congressional Districts. These counties would have to produce two separate

ballots, not unlike that for U.S. Congressional candidates. Four of those counties use Direct Recording Electronic voting systems and would only need to have their election officials program the correct candidates for each precinct.

County voter registration offices (CVRO) would be required to certify and file petitions for nomination for Commissioner and forward those petitions to the Secretary of State. CVRO's would be able to accomplish this provision within their existing level of resources.

Explanation of Local Revenues: *Court Action-* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge, depending upon the particular type of case.

Persons filing a civil case are also required to pay the following fees that are deposited in local funds.

The document storage fee (\$2) is deposited into the clerk record perpetuation fund.

The following fees are deposited into the general fund of the county in which the court is located:

- Document fees (\$1 per document) are charged for preparing transcripts or copies of record or certificate under seal.
- Service fee (\$10) collected from the filing party for each defendant beyond the first cited in the lawsuit.

State Agencies Affected: IURC, Secretary of State, Election Division, Election Commission.

Local Agencies Affected: Circuit courts, county voter registration offices, circuit court clerks.

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